UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY

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Attorneys for Creditors, Anthony Festa, M.D., Anthony Scillia, M.D., Craig Wright, M.D., John Callaghan, M.D., Casey Pierce,

M.D. and Academy Orthopaedics, LLC

IN RE: Case No.: 25-11370(JKS)

NEW JERSEY ORTHOPAEDIC INSTITUTE LLC Chapter 11

Debtor, Hon. John K. Sherwood,

Adv. No. 25-01036(JKS)

U.S.B.J.

IN RE: Case No.: 25-11372(JKS)

NORTHLANDS ORTHOPAEDIC INSTITUTE LLC Chapter 11

NEW JERSEY ORTHOPAEDIC INSTITUTE LLC and NORTHLANDS ORTHOPAEDIC INSTITUTE LLC

HLANDS ORTHOPAEDIC INSTITUTE LLC

Plaintiffs,

Debtor,

v.

ANTHONY FESTA, M.D., ANTHONY SCILLIA, M.D., CRAIG WRIGHT, M.D., JOHN CALLAGHAN, M.D., CASEY PIERCE, M.D. and ACADEMY ORTHOPAEDICS LLC

DECLARATION OF CARL J. SORANNO, ESQ.

I, Carl J. Soranno, Esq., do hereby declare under penalty of perjury:

- 1. I am a member of Brach Eicher LLC, attorneys for creditors Creditors / Adversary Proceeding Defendants, Creditors, Anthony Festa, M.D., Anthony Scillia, M.D., Craig Wright, M.D., John Callaghan, M.D., Casey Pierce, M.D. (the "Individual Objectors") and Academy Orthopaedics, LLC ("Academy") (collectively, the "Objectors"). In that capacity, I am fully familiar with the facts set forth herein.
- 2. I make this declaration in support of Objectors' objection to the Debtors, New Jersey Orthopaedic Institute, LLC ("NJOI") and Northlands Orthopaedic Institute, LLC's ("NOI") (collectively, the "Debtors") [i] *Order to Show Cause*, to avoid the levies on the Attorney Trust Account of Frier Levitt LLC and the Debtors' bank accounts located at Wells Fargo Bank, N.A. and Valley National Bank [Adv. No. 25-01036, ECF # 2 and 4] (the "Order to Show Cause"); and [ii] Motion for the entry of an Order authorizing the Debtors to pay certain prepetition wages (and associated taxes) and reimbursable employee expenses, (pay and honor employee medical and other benefits, continue employee benefit programs, and other related relief [Bk No. 25-11370, ECF # 8] (the "Wage Motion").
- 3. Attached hereto as **Exhibit "A"** is a true and correct copy of a Deed, pulled from the website of the Morris County Clerk, reflecting the acquisition of a home in Harding, New Jersey, titled in the name of Vincent McInerney's wife. The Deed, dated December 4, 2024, reflects a purchase price of \$2,225,000.00. The Morris County Clerk's website does not reflect any corresponding mortgages associated with the purchase of this home and, upon information and belief, the home was acquired without secured financing.
- 4. Attached hereto as **Exhibit "B"** is an Order entered in the Superior Court of New Jersey on May 5, 2022 in the matter of Festa, et. al. v. McInerney, et. al., Docket No.: PAS-C-5-

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22 (the "2022 Action"). The 2022 Action was commenced on January 7, 2022 by Objectors, and

subsequently referred to Arbitration before the American Health Law Association.

5. Attached hereto as **Exhibit "C"** is a true and correct copy of the February 19, 2024

Arbitration Award of Ira Marcus, Esq. of the American Health Law Association.

6. Attached hereto as **Exhibit "D"** is a true and correct copy of the Order for Judgment

entered in the matter of Festa, et. al. v. McInerney, et. al., Docket No.: PAS-C-26-24 (the "2024

Action") confirming the February 19, 2024 Arbitration Award of Ira Marcus, Esq. of the American

Health Law Association.

7. Attached hereto as **Exhibit "E"** are relevant portions of the deposition of the

Debtors' Chief Financial Officer, Kinga Skalska-Dybas, discussing payments made from the

Debtors to his wife and daughter.

I declare under penalty of perjury under the laws of the United States of America that the

foregoing is true and correct.

Dated:

February 12, 2025

Roseland, New Jersey

BRACH EICHLER L.L.C.

Attorneys for Objectors

BY: _/s/ Carl J. Soranno, Esq. Carl J. Soranno, Esq.

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